FINANCIAL SECRETARIAT.

No. FL. 98—G. F. 6-21-4, DATED 9TH JULY 1921, AS REVISED IN No. 585, DATED 1ST AUGUST 1921.

MYSORE GOVERNMENT LOANS, 1921.

Principal and Interest secured on the Revenues and Assets of the Government of Mysore.

With the permission of the Government of India, the Loans are thrown open for subscription throughout India.

Subscription for (1) 10 year, 7 per cent Bonds, 1931, free of income-tax, and (2) 20-30 year, 6½ per cent Bonds, 1941-51, at issue price of 97½ per cent, free of income-tax, will be received from persons throughout India from 1st August to 31st October 1921 inclusive. Bonds of both Issues will be delivered over the counter on receipt of cash subscription.

Terms of Loan No. (1).

2. i. *Interest.*—Interest at the rate of 7 % per annum is payable half-yearly on the 1st of November and 1st of May. Advance interest at 7 % per annum from the date of receipt of application to 31st October 1921 will be paid at the time of sale or delivery of Bonds. Interest will be paid at any Treasury in Mysore or in British India, at which payment is desired or at the Bank of Mysore.

Interest on the Bonds will be income-tax free throughout their currency, but will be taken into account in determining the rate at which the tax will be levied on other income. Interest on Bonds paid in British India will be free of British Indian Income-tax also and receipts for drawing such interest are exempt from British Indian Stamp duty.

ii *Issue Price.*—The issue price will be Rs. 100 for every Rs. 100 of the Loan applied for.

iii. *Repayment.*—The Government of Mysore undertake to repay the Bonds at par on 1st November 1931 and to form a Sinking Fund for the purpose.

iv. *Form of Bonds.*—Bonds will be issued in the form of Promissory Notes transferable by endorsement, which may be exchanged for Stock Certificates.

v. *Denomination of Bonds.*—Bonds will be issued in denominations of Rs. 12-8-0, Rs. 25, 50, 100, 500, 1000, 5000 or multiples of Rs. 5000.

vi. *Form of Application.*—Bonds may be purchased on application in Form A or B (separately supplied on requisition) according as the subscription is in cash or in bonds, or in any other form which states clearly all the particulars required in the printed form.

vii. *Purchase of Bonds and Method of payment.*—Bonds will be sold at and may be obtained on application to—

(*a*) any Treasury (District or Taluk) or office of Deputy Amildar in charge of Sub-Taluk in the State,

(*b*) the Headquarter Office or any branch of the Bank of Mysore,

and (*c*) (1) The Imperial Bank of India, Calcutta, Bombay and Madras and Branches.
(2) The National Bank of India, Bombay and Madras.
(3) The Eastern Bank, Bombay and Calcutta.
(4) The Alliance Bank of Simla, Bombay, Calcutta Lucknow and Simla.
(5) The Central Bank of India, Bombay.
(6) The Mercantile Bank of India, Bombay and Madras.
(7) The Tata Industrial Bank, Bombay, Hyderabad and Madras.
(8) The Bank of India, Bombay.
(9) The Indian Bank, Madras.
(10) The Chartered Bank of India, Australia and China, Madras.
(11) The Calcutta Industrial Bank, Calcutta.
(12) The P. and O. Banking Corporation, Calcutta, Bombay, Karachi and Madras.
(13) The Allahabad Bank, Allahabad, Bombay and Calcutta.

The amount due may be paid in cash or by cheque drawn on any of the Banks mentioned above in favor of the Officer to whom applications and the issue price payable (cash or bonds) are tendered.

viii. *Subscription by withdrawal of Government Savings Bank Deposits.*—In the case of depositors in the Government Savings Banks, subscription to the Loan may be made by presenting withdrawal forms duly filled up together with Pass Books to the Treasuries at which accounts are kept.

ix. *Subscription by tender of bonds.*—The following bonds of the Government of Mysore and the Government of India will be accepted at par as the equivalent of cash in subscription and Bonds of equal face value of this Loan will be issued in lieu thereof. Interest at the rates these bonds carry will be paid up to date of presentation of application along with advance interest *vide* Term No. x *infra.*

Mysore Government.—4 per cent bonds repayable on 1st October 1921.

Government of India.—5½ per cent War bonds, 1921, 1922, 1923, 1925, or 1928.
6 per cent bonds, 1930, 1926, or 1931.

x. *Form of endorsing bonds tendered as subscription and procedure for obtaining the bonds applied for.*—Applicants who tender bonds in payment of subscription to this Loan should endorse them with the words "Pay to the Dewan of Mysore or order" over their signature and deliver them to the officer receiving the application who will give a temporary receipt. The Bonds applied for will be issued together with cheques for the advance interest due from date of receipt of application to 31st October 1921 *plus* interest accrued on the bonds tendered for conversion and exchange on surrender on or after 1st December 1921 to the officers to whom applications are made of the temporary receipt duly signed as provided for therein.

Terms of Loan No. (2).

3. i. *Interest.*—Interest at the rate of 6½ per cent per annum is payable half-yearly on the 1st of November and 1st of May. Advance interest at 6½ per cent per annum from date of receipt of application to 31st October 1921 will be paid at the time of sale or delivery of Bonds. Interest will be paid at any Treasury in Mysore or in British India at which payment is desired or at the Bank of Mysore.

Interest on the Bonds will be income-tax free throughout their currency, but will be taken into account in determining the rate at which the tax will be levied on other income. Interest on Bonds paid in British India will be free of British Indian Income-tax also and receipts for drawing such interest are exempt from British Indian Stamp duty.

ii *Issue Price.*—The issue price will be Rs. 97½ for every Rs. 100 of the Loan applied for.

iii. *Repayment.*—The Government of Mysore undertake to repay the Bonds at par on 1st November 1951 or at their option, on any earlier date after giving six months' notice but not before 1st November 1941. A Sinking Fund will be formed for the purpose.

iv. *Form of Bonds.*—Bonds will be issued in the form of Promissory Notes transferable by endorsement, which may be exchanged for Stock Certificates.

v. *Denomination of Bonds.*—Bonds will be issued in denominations of Rs. 12-8-0, Rs. 25, 50, 100, 500, 1000, 5000 or multiples of Rs. 5000.

vi. *Form of application.*—Application should be in Form A or C (separately supplied on requisition) according as the subscription is entirely in cash or in bonds or in any other form which states clearly all the particulars required in the printed form.

vii. *Purchase of Bonds and Method of Payment.*—Bonds will be sold at and may be obtained on application to—

(*a*) any Treasury (District or Taluk) or office of Deputy Amildar in charge of Sub-Taluk in the State,

(*b*) the Headquarter Office or any branch of the Bank of Mysore.

and (*c*) (1) The Imperial Bank of India, Calcutta, Bombay and Madras and Branches.
(2) The National Bank of India, Bombay and Madras.
(3) The Eastern Bank, Bombay and Calcutta.
(4) The Alliance Bank of Simla, Bombay, Madras, Calcutta, Lucknow and Simla,
(5) The Central Bank of India, Bombay.
(6) The Mercantile Bank of India, Bombay.

(7) The Tata Industrial Bank, Bombay, Hyderabad and Madras.
(8) The Bank of India, Bombay.
(9) The Indian Bank, Madras.
(10) The Chartered Bank of India, Australia and China, Madras.
(11) The Calcutta Industrial Bank, Calcutta.
(12) The P. and O. Banking Corporation Calcutta, Bombay, Karachi and Madras.
(13) The Allahabad Bank, Allahabad, Bombay and Calcutta.

The amount due may be paid in cash or by cheque drawn on any of the Banks mentioned above in favor of the Officer to whom application and the issue price payable (cash or bonds) are tendered.

viii. *Subscription by withdrawal of Government Savings Bank Deposits.*—In the case of depositors in the Government Savings Banks, subscriptions to the Loan may be made by presenting withdrawal forms duly filled up together with Pass Books to the Treasuries at which accounts are kept.

ix. *Conversion of previous Issues.*—(*a*) Mysore Government 4% bonds repayable on 1st October 1921 will be accepted at par and Bonds of equal face value of this Loan will be issued in lieu thereof, the balance over the issue price of Rs. 97½ per cent, *i.e.*, Rs. 2½ per cent being refunded in cash at the time of delivery of Bonds.

(*b*) Mysore Government 5½% Conversion bonds, 1929-44, will be accepted in exchange for Bonds of equivalent face value of this Loan, *provided* an amount equal to 97½ per cent of the face value of the bonds tendered for conversion is paid in cash as additional subscription to the Loan.

(*c*) Mysore Government 6¼% bonds, 1940, will be accepted as subscription to this Loan *provided* an additional cash subscription of 37½% of the face value of the bonds tendered for conversion is paid, when Bonds of this Loan of the face value of 140 per cent will be delivered in exchange for such cash payment and the bonds surrendered.

Illustration.—A wants to convert into this Loan a 6¼ per cent bond of the face value of Rs. 500. On surrender of the bond and on payment of cash of Rs. 187½ *i.e.*, $\left(\text{Rs. } \frac{37\frac{1}{2}\times 500}{100}\right)$ he will be given Bonds of this Loan of the face value of Rs. 700 *i.e.*, $\left(\frac{\text{Rs. } 140\times 500}{100}\right)$.

In cases in which the face value of the Bonds to be delivered in exchange for bonds and cash tendered as above, is not equal to the amount of a Bond of any of the prescribed denominations, the balance to make up the issue price of the Bond applied for should also be paid in cash.

Note.—Interest at the rates these bonds carry will be paid up to date of presentation of application along with advance interest. *Vide* Term No. x *infra.*

x. *Form of endorsing bonds tendered as subscription and procedure for obtaining the Bonds applied for.*—Applicants who tender bonds of previous issues of the Government of Mysore in payment of subscription to this Loan should endorse them with the words "Pay to the Dewan of Mysore" over their signature and deliver them with the amount of cash, if any, payable *vide* Terms No. ix (*b*) *and* (*c*) *supra* to the officer receiving the application who will give a temporary receipt. The Bonds applied for will be issued together with cheques for advance interest due from date of receipt of application to 31st October 1921 *plus* accrued interest on the bonds tendered for conversion to date of presentation of application *plus* amount to be refunded under Term No. ix (*a*) *supra*, on surrender on or after 1st, December 1921 to the officers to whom applications are made, of the temporary receipt duly signed as provided for therein.

4. *Tender of Government of India 5½% War Bonds.*—Arrangements have been made with the Bank of Mysore, to accept the Government of India 5½% War Bonds at par for investment of the proceeds in this Loan; and the Bank will refund in cash to the tenderers of such bonds the difference between the par value of the surrendered bonds and the issue price of this Loan, *viz.*, Rs. 2½ per cent.

5. *Brokerage.*—Brokerage at ¼% will be paid to recognised Bankers and Brokers on applications for Bonds bearing their stamps.

By Order,
M. N. KRISHNA RAO,
Financial Secretary to Government.